

To: All "Small Business Family" Leads & Teammates on ITSP BPAs

With regard to the performance of SBs, SDBs, and small woman owned businesses under direct award ITSP orders, there is no FAR requirement under the GSA Schedules (such as applies to "traditional" ID/IQ contracts) mandating that aforementioned businesses perform at least 50+% of the cost of labor expended under any task order they perform as "Prime" support. HOWEVER, for purposes of the Information Technology Services Program, and in support of the "spirit" of Congressional and regulatory intent that small businesses actually perform "substantially" under DoD contracts and not act primarily as a business "pass through agent", Electronic Systems Center expects to see any aforementioned businesses performing as the Lead/Prime Teammate under a direct ITSP task order, to perform at least 40% of the cost of Labor expenditures itself. While striving to achieve our ESC goal of 25% or more of direct ITSP support obligations to small business firms, we are not interested in seeing possible situations crop up, for example, where a "user" has taken credit for 100% SB-family obligation on an order, only to see that SB firm perform only 10% of the work itself and subcontract out or flowdown the remaining 90% to large businesses on the BPA Team. Thus, the 40% "cost of labor performance" threshold is intended to somewhat mirror the requirements under those particular traditional TEMS/SETA contracts which were specifically set-aside for SB & SDB award and performance.

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